



# EXPLORING DUE DILIGENCE

What it means in practice



LIFE - Support EUTR II - LIFE18 GIE/DK/000763



- Access to information
  - Mandatory information
  - Supply chain mapping
  - Information integrity
- Risk assessment
  - Species
  - Trade and transport
  - Origin
  - Risk of mixing
- Risk mitigation
  - Available actions
  - Case study
- Certification and due diligence



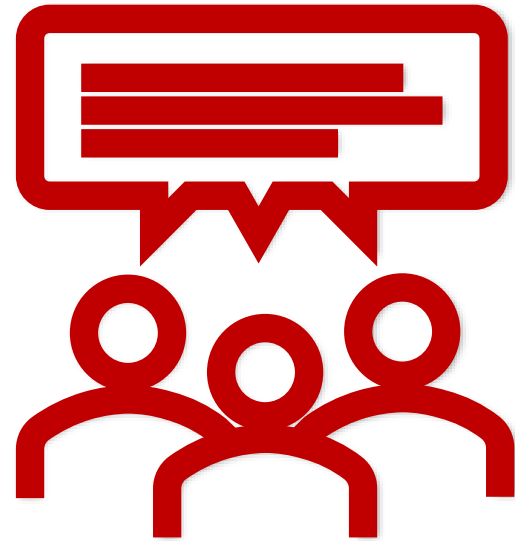


# ACCESS TO INFORMATION

## Mandatory information

Which of the following information is considered mandatory by the UK & EU Timber Regulations?

*(Multiple choice)*



# Requirements – mandatory information in all cases

- Information that shall **always** be known and documented:

- Description of the product
- Quantity (of material placed on the market)
- Supplier (tier 1)
- Buyer (Not applicable to retailers)
- Species (scientific name)
- Origin (country, and if applicable, region or concession)
- Documents or other information indicating legal compliance



**This will change on a  
case by case basis**

## Requirements – additional information to collect



“Documents or other information indicating legal compliance of [...] timber and timber products with the applicable legislation”

*Why?*

- The applicable legislation is not the same depending on the country of harvest
- The degree of enforcement of the legislation in place is not the same everywhere
- Extent of this additional information collection depends on:



**1. Legislation in place**

*Need to know the legislation in the country of harvest*

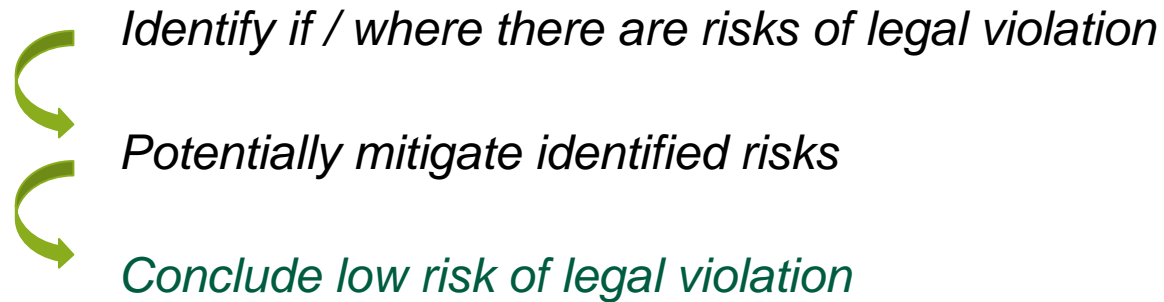


**2. Level of risk existing in the country**

*Need to know how well the legislation is enforced*

# Determining additional necessary information

- Objective of documentation collection:



- **How much** information and documentation is needed?

➤ ***Wrong question!***

- Caution: document collection **not an end in itself**
- It must **serve the purpose** of risk assessment and potentially risk mitigation





# Determining additional necessary information

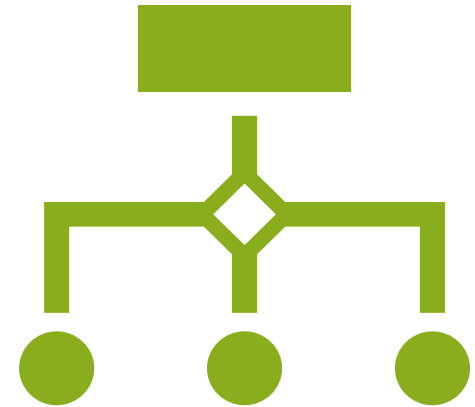
Correct question:

- **Which** information and documents **are relevant**?
  - What does an information / document tell us?
  - What is the purpose of a document?
  - How does it evidence compliance with forest-related legislation in place?



# Supply chain mapping

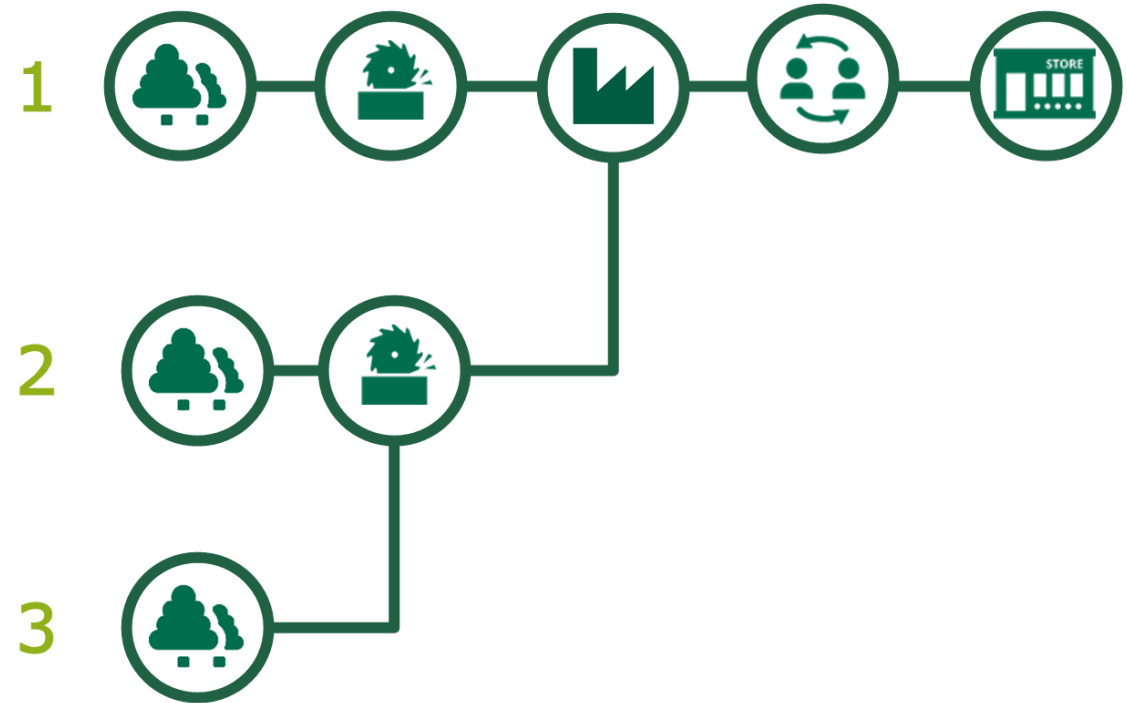
- The exercise of **mapping supply chains** is always a **good starting point**
- Efficient way of determining the **country / region / forest of harvest** (*mandatory information*)
- Need to evidence declarations on a supply chain
  - Importance of **sales or transport documents** as evidence of commercial link



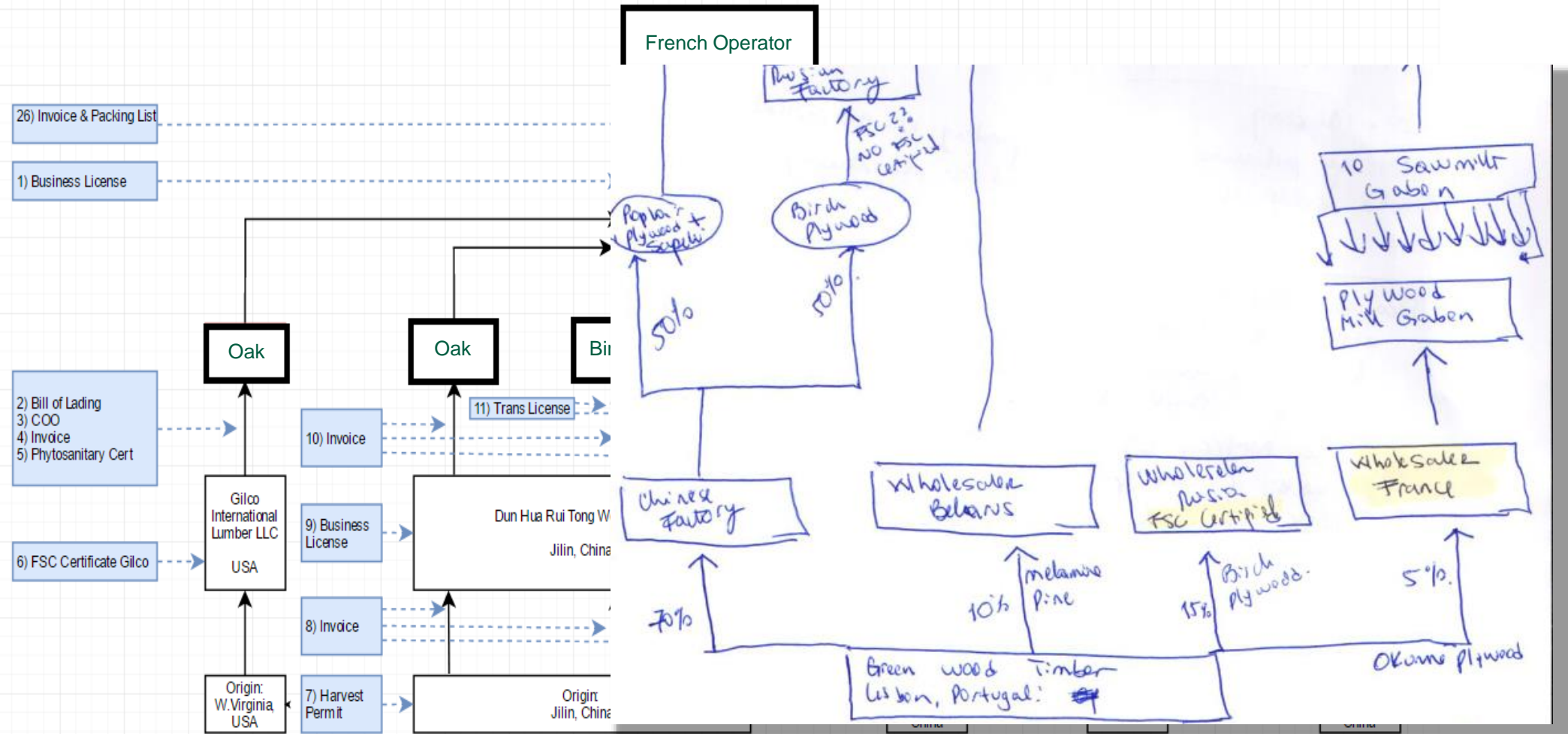
# Supply chain mapping

Information to capture with supply chain mapping:

- Entities involved in the supply chain (name and location)
- How and where the product is transformed
  - Different components
  - Species
  - Industrial processes in play
  - Physical routes
- Certification claims if applicable



# Supply chain mapping



# Supply chain mapping



- Excel template: supply chain mapping tool

<b>Material/Product:</b>								
<b>ID:</b>								
Supply Chain Detail								
Tier	Supplier Name	Type of entity	Material Type	Species (scientific name)	Material certification (if applicable)	Certification code of supplier (if applicable)	Location	Contact information
See GUIDE tab	Enter the name of the supplier.	Enter the type of entity for supplier. (primary manufacturer, secondary manufacturer, forest manager, trader, etc.)	Enter the material type. (logs, sawn timber, planed timber, veneer, plywood, MDF, chips, etc.)	Enter the names of the species in each product	Enter the type of certification/verification, if applicable.	Enter the certification code for the applicable certification.	Enter the location (country, region, address) of the supplier.	Enter relevant contact details for the supplier. (contact person, email, telephone)
Supply Chain Example								
1	Components Ltd	Secondary Manufacturing	Furniture parts	Quercus mongolica	No	N/A	Vietnam	
2	Sawmills Ltd	Sawmill	Sawn Timber	Quercus mongolica	No	N/A	China, Jilin	
3	Forestry Inc	Forest Enterprise	Logs	Quercus mongolica	No	N/A	Russia	

# Information integrity

# Information integrity

- Ensuring the quality of information collected
- Key questions:
  1. Trustworthiness and level of evidence
  2. Validity / fraud detection
  3. Relatedness
  4. Corruption



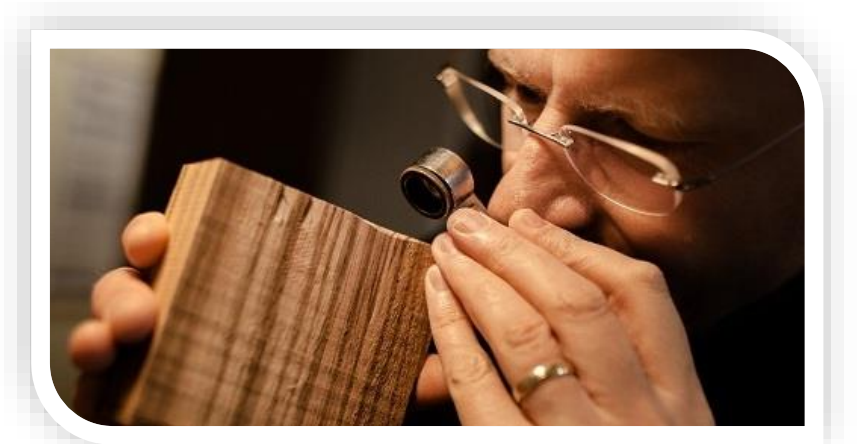


# 1. Trustworthiness

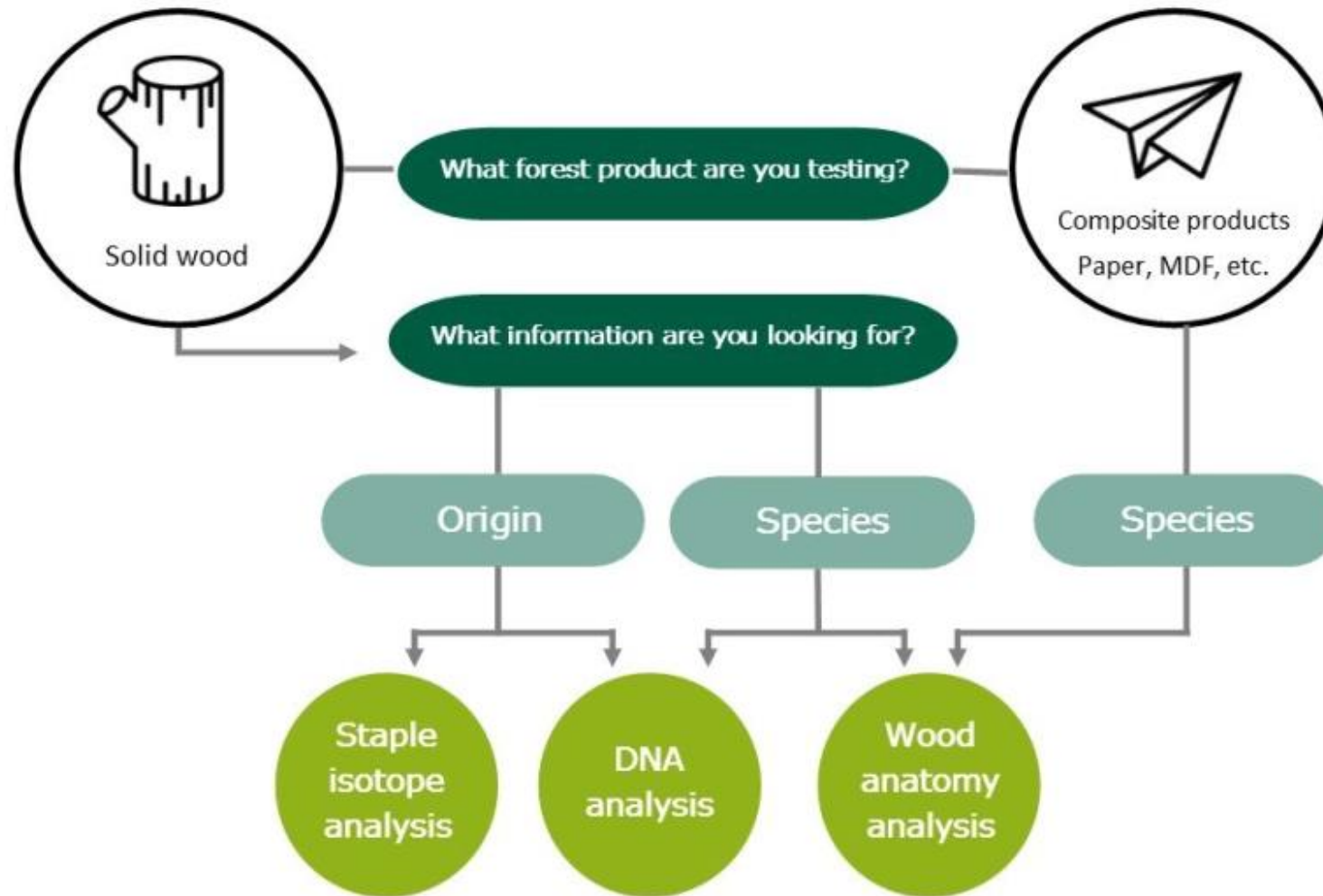
- **Trustworthiness** and level of evidence
- Is concrete evidence / proof needed? How much evidence is needed?
- Different documents, different sources of information
- Timber testing



*Using laboratory testing to verify the species and origin of your forest products can enhance your due diligence system and avoid sourcing illegal timber.*



# 1. Trustworthiness



# 1. Trustworthiness



Multiple  
sources

## 2. Validity of information

- Determining if a document is valid:
  - Check dates of emission / signature
  - Presence of official signatures and stamps
  - Legal documents are often standardized and based on a single template / form
  - Use of available online databases



Forest harvesting permit  
林木采伐许可证

编号: 34020201151207001

Holder of permit  
[Redacted]

Location  
根据采伐申请填报的伐区调查设计(申请), 经审核, 批准在 [Redacted] 场(乡镇) / 林班(村) / 作业区(组) / 小班(地块)采伐。  
采伐四至: 东 [Redacted] 南 [Redacted] 西 [Redacted] 北 [Redacted] 采伐中产路。  
GPS 定位: [Redacted]

Species  
林分起源: 人工 林种: 一般用材林 树种: 杉木

权属: 集体 林权证号(证明): /

采伐类型: 主伐 采伐方式: 皆伐 采伐强度: 20%

采伐面积: 3.99 公顷(株数: [Redacted])

采伐蓄积: Time of harvesting (出材量) 356.8 立方米

采伐期限: 2015 年 1 月 1 日至 2015 年 1 月 31 日

更新期限: 2015 年 1 月 1 日至 2015 年 1 月 31 日

更新面积: 3.99 公顷(株数: 2100 株)

占限期  不占限期

备注: 占限期  
整场采伐2100株,商品材蓄积348.90立方米,商品出材356.80立方米

Seal of issuing authority  
[Redacted Seal]

发证机关(章) [Redacted Seal]


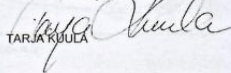
领证人: [Redacted]

Issuing time 发证日期: 2015 年 1 月 31 日

注: 1. 此证一式二联, 第一联为存根, 第二联为采伐凭证。  
2. 超过规定采伐期限, 此证无效。  
3. 采伐凭证盖印者须以上级林业主管部门采伐许可证管理专用章。  
4. 申请有林木采伐不填写GPS定位。

## 2. Validity of information



1 Assignor - Expéditeur - Expedidor <b>SAEGEWERK HARTMANN GMBH</b>		No. <b>00070413</b>		COPY	
2 Consignee - Destinataire - Destinatario <b>QINGDAO FENGZHIXIANG TRADING CO., LTD IN THE EAST OF XINZHI VILLAGE JIAOZHOU CITY QINGDAO CHINA</b>		<b>EUROPEAN COMMUNITY COMMUNAUTÉ EUROPÉENNE - COMUNIDAD EUROPEA</b>			
		<b>CERTIFICATE OF ORIGIN CERTIFICAT D'ORIGINE - CERTIFICADO DE ORIGEN</b>			
4 Transport details - Informations relatives au transport - Datos relativos al transporte (Optional)		3 Country of Origin - Pays d'origine - País de origen European Community - Germany			
5 Remarks - Remarques - Observaciones					
6 Item number, marks, numbers, number and kind of packages; description of goods		7 Quantity			
<b>11 PACKAGES EUROPEAN BEECH TIMBER</b>		<b>34.667CBM</b>			
8 THE UNDERSIGNED AUTHORITY CERTIFIES THAT THE GOODS DESCRIBED ABOVE ORIGINATE IN THE COUNTRY SHOWN IN BOX 3 L'autorité soussignée certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case No. 3 La autoridad infrascrita certifica que las mercancías abajo mencionadas son originarias del país que figura en la casilla No. 3					
TAMPERE CHAMBER OF COMMERCE					
TAMPERE 05.09.2014					
  TARJA KUULA					
Place and date of issue; name, signature and stamp of competent authority Lieu et date de délivrance; désignation, signature et cachet de l'autorité compétente Lugar y fecha de expedición; designación, firma y sello de la autoridad competente					

<b>NON-NEGOTIABLE BILL OF LADING</b>					
Printed: 07-Sep-2014 04:44 (XST) (*Status: BL, confirmed and completed)					
Shipper / Exporter (Complete name and address) <b>SAEGEWERK HARTMANN GMBH</b>		Booking No. <b>BCVB345519</b>		B/L No. <b>HDMM VCQ13281718</b>	
Consignee (Complete name and address) <b>TO ORDER</b>		Export Reference <b>ORDER NO. 10103610</b>		Forwarding Agent Reference	
Notify Party (Complete name and address) <b>QINGDAO FENGZHIXIANG TRADING CO., LTD IN THE EAST OF XINZHI VILLAGE JIAOZHOU CITY QINGDAO, SHANDONG PROVINCE CHINA</b>		Port and Country of Origin <b>GERMANY</b>		Also Notify / Domestic Routing / Export Instructions	
Pre-Carriage by <b>HAMBURG EXPRESS V 065W</b>	Place of Receipt * <b>HAMBURG EUROPEAN PORT</b>	Port of Discharge <b>QINGDAO, CHINA</b>		Place of Delivery * <b>QINGDAO, CHINA, CY</b>	
Place of Loading <b>HAMBURG EUROPEAN PORT</b>	Final Destination (For the Merchants Ref.) <b>QINGDAO, CHINA</b>				
PARTICULARS FURNISHED BY SHIPPER					
Container No./Seal No. Mark and Numbers	No. of Containers or Other Pkgs.	Description of Packages and Goods	Gross Weight	Measurement	
<b>65W 3CB</b>	<b>11</b>	<b>PACKAGES EUROPEAN BEECH LUMBER COMBINED REPORTING NO. SEM 2055 FREIGHT PREPAID H0M6501043 / 5222535 11 PK</b>	<b>26,356.0000 KGS</b>	<b>34.6670 CBM</b>	
Total Number of Containers or Packages (in words) <b>1140 - 11 CONTAINERS</b>					
Freight & Charges	Rate	Unit	Prepaid	Collect	
<b>FREIGHT AS ARRANGED</b>					
Declared Value (Optional) : <b>US\$</b>	PACKAGE LIBERATION CLAIMS Article 4, (1) of U.L.C. Carriage of Goods by Sea Act (1924). Whether the carrier has any liability for loss or damage to or in connection with the transportation of goods has been established by the evidence of the Bill of Lading and additional freight has been paid as required. This declaration, if included in the Bill of Lading, shall be prima facie evidence, but shall not be conclusive in the case. THIS CLAUSE SHALL APPLY ONLY TO GOODS NOTED IN THE BILL OF LADING FOR LIMITED STATES IN ACCORDANCE WITH THE BILL OF LADING. The shipper, owner and consignee of the goods, and the holder of the Bill of Lading expressly accept and agree to the conditions, clauses and limitations, whether written, inserted in the Bill of Lading or otherwise, in accordance with the Bill of Lading. The carrier is not liable for any loss or damage to or in connection with the transportation of goods if the Bill of Lading is issued in accordance with the Bill of Lading.	Total Charges	Number of Original B/L <b>THREE (3)</b>	On Board Date <b>SEP. 05, 2014</b>	
Date of Issue <b>SEP 05, 2014</b>			Date of Issue <b>(OBD: SEPTEMBER FIFTH, 2014) SEP 05, 2014</b>		
Hyundai America Shipping Agency, Inc. as agent for the Carrier HYUNDAI MERCHANT MARINE CO., LTD.					
By _____					

## 2. Validity of information



采伐类型：   立伐   采伐方式：   /   采伐强度：   

采伐面积：   231亩   公顷(株数：   9332   株)

采伐蓄积：   2115   立方米(出材量：    立方米)

采伐期限：   2016   年   4   月   16   日至   2016   年   6   月   16   日

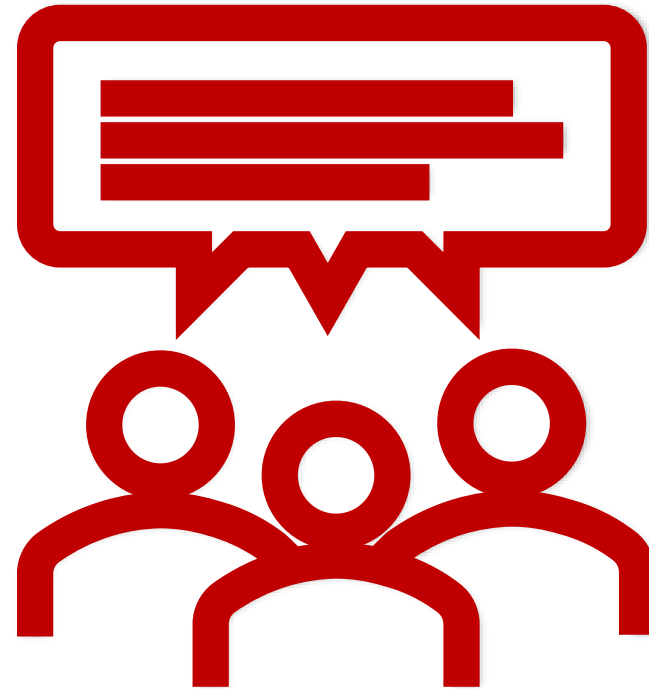
更新期限：    年    月    日

更新面积：    公顷(株数：    株)

占限额       不占限额

## 2. Validity of information

Do you see anything  
strange with this  
document?



## 2. Validity of information

采伐类型： 立伐 采伐方式： — 采伐强度： —

采伐面积： 231亩 公顷(株数： 9332 株)

采伐蓄积： 2115 立方米(出材量： — 立方米)

采伐期限： 2016 年 4 月 16 日至 2016 年 6 月 16 日

更新期限： — 年 — 月 — 日

更新面积： — 公顷(株数： — 株)

占限额       不占限额



### 3. Relatedness

- Does information tally *across* documents? Check the coherence of information on:
  - Dates
  - Volumes
  - Trading entities
  - Dimensions
  - Qualities
  - Species
  - Issuing authorities
  - Etc.



## 4. Corruption

### Key Challenge!

In countries with a high level of corruption you can get stamp and signature on official document without complying with legislation





# RISK ASSESSMENT

## Objective of risk assessment

- Assess information obtained
- Identify systemic risks in the country of harvest
  - All relevant legislation (5 legal categories)
- Assess whether systemic risks are applicable to the supply chain
  - Risk specification
  - Have enough detail to proceed with risk mitigation
- Identify risk that unknown material is entering the supply chain (risk of mixing)




# Risk assessment criteria







# Risk assessment process

Origin 

Species 

Trade and transport 

<p><b>Conclusive risk factors</b></p>		<ul style="list-style-type: none"> <li>• UN / EU Sanctions</li> <li>• Armed conflicts</li> <li>• Timber harvest or trade bans</li> </ul>	<p>-</p>	<p>-</p>
<p><b>“Green lanes” exempted from due diligence</b></p>		<ul style="list-style-type: none"> <li>• Valid FLEGT licences</li> </ul>	<ul style="list-style-type: none"> <li>• Valid CITES licences</li> </ul>	<p>-</p>
<p><b>IN ALL OTHER CASES</b></p>		<p style="text-align: center;"><b><i>What is the legislation in place?</i></b></p> <p style="text-align: center;"><b><i>What is the likelihood that this legislation is not enforced?</i></b></p>		
<p><b>Eye-catcher situations: high profile cases</b></p>		<p>High profile countries: Brazil, Myanmar, Ukraine, DRC...</p>	<ul style="list-style-type: none"> <li>• IUCN Status</li> <li>• Ipe, Kevazingo, Mongolian Oak, Rosewood...</li> </ul>	<ul style="list-style-type: none"> <li>• Mis-classification</li> <li>• Transfer pricing</li> </ul>

# Species

## Species: requirements

- Scientific name not absolutely mandatory
- But important in most cases in order to:
  - Find out information on the species through databases (IUCN, CITES, etc.)
  - Verify coherence of information in relation to the declared origin of timber
  - Assess the risk to the specific species



### EXAMPLE

- *Quercus mongolica* is a high risk species in relation to prevalence of illegal harvesting. It naturally grows in West Russia, China, South and North Korea, Japan.
- *Quercus alba* is a low risk species that naturally grows in Canada and the USA.



## Species: high profile species

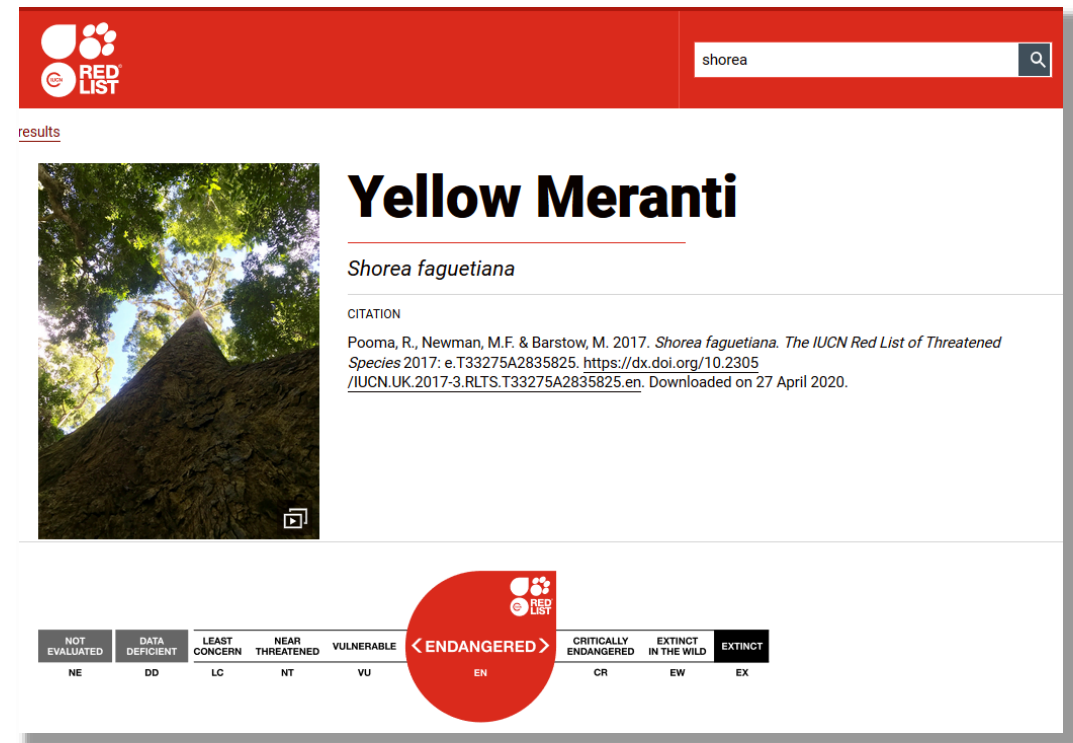


- Known and documented species at risk of illegal logging
  - Ipe (Brazil)
  - Kevazingo (Gabon)
  - Rosewood (Madagascar)
  - Mongolian Oak (East Russia)

A screenshot of a Greenpeace International press release article. The page features a dark blue header with the Greenpeace logo and navigation links for 'ACT', 'EXPLORE', and 'DONATE'. The article title is 'Illegal logging of Ipê tree is causing irreversible damage to the Amazon', dated 20 March 2018. The text discusses the impact of illegal logging on the Amazon rainforest, mentioning the high value of Ipê wood and the resulting environmental damage. A secondary headline at the bottom reads 'The Forest Trail from Forest to Furniture'.

# Species: IUCN Red list

- Indication of the **conservation status** of biological species, evaluating risk of extinction
- **Several degrees:** Least concern / Near threatened / Vulnerable / Endangered / Critically endangered / Extinct in the wild / Extinct
- In theory, an endangered species could be harvested and traded legally BUT it is more likely that an endangered species will be protected through harvesting ban or strict legal conditions applying to its harvest and / or trade



The screenshot shows the IUCN Red List website interface. At the top, there is a red header with the IUCN Red List logo on the left and a search bar containing the text "shorea" on the right. Below the header, the word "results" is displayed. On the left side, there is a photograph of a tree trunk. To the right of the photo, the title "Yellow Meranti" is prominently displayed in a large, bold, black font. Below the title, the scientific name "Shorea faguettiana" is written in a smaller font. Further down, a "CITATION" section provides the following text: "Pooma, R., Newman, M.F. & Barstow, M. 2017. *Shorea faguettiana*. *The IUCN Red List of Threatened Species* 2017: e.T33275A2835825. <https://dx.doi.org/10.2305/IUCN.UK.2017-3.RLTS.T33275A2835825.en>. Downloaded on 27 April 2020." At the bottom of the page, a horizontal bar displays the IUCN Red List status categories: NOT EVALUATED (NE), DATA DEFICIENT (DD), LEAST CONCERN (LC), NEAR THREATENED (NT), VULNERABLE (VU), **ENDANGERED (EN)**, CRITICALLY ENDANGERED (CR), EXTINCT IN THE WILD (EW), and EXTINCT (EX). The "ENDANGERED" category is highlighted with a large red circle and white text.

# Trade and transport

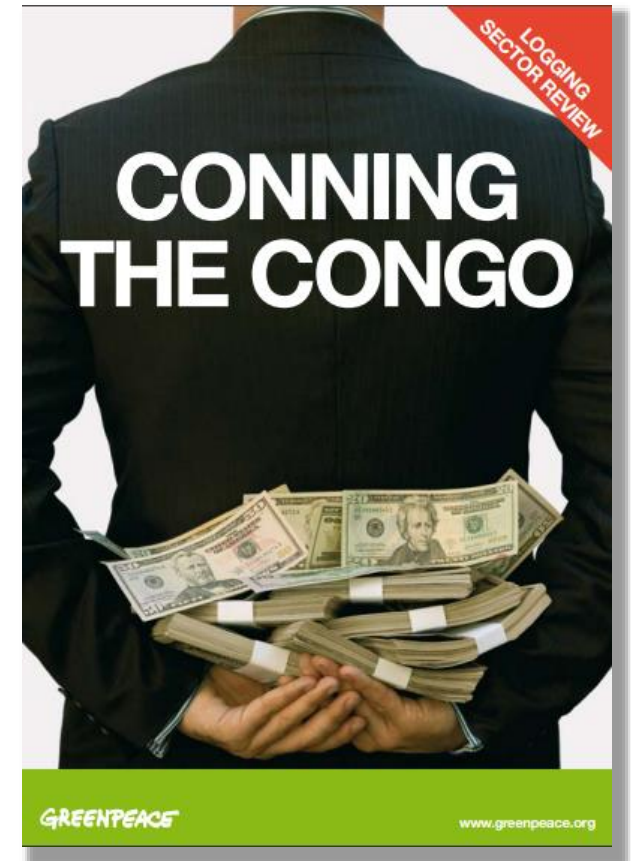
# Trade and transport: mis-classification

- Mis-classification on trade and transport documents is a well-known way to **avoid paying taxes**, or **conceal illegal harvesting**
- Pay attention to differences in the description of products on trade and transport documents:
  - Quantities
  - Sizes
  - Species



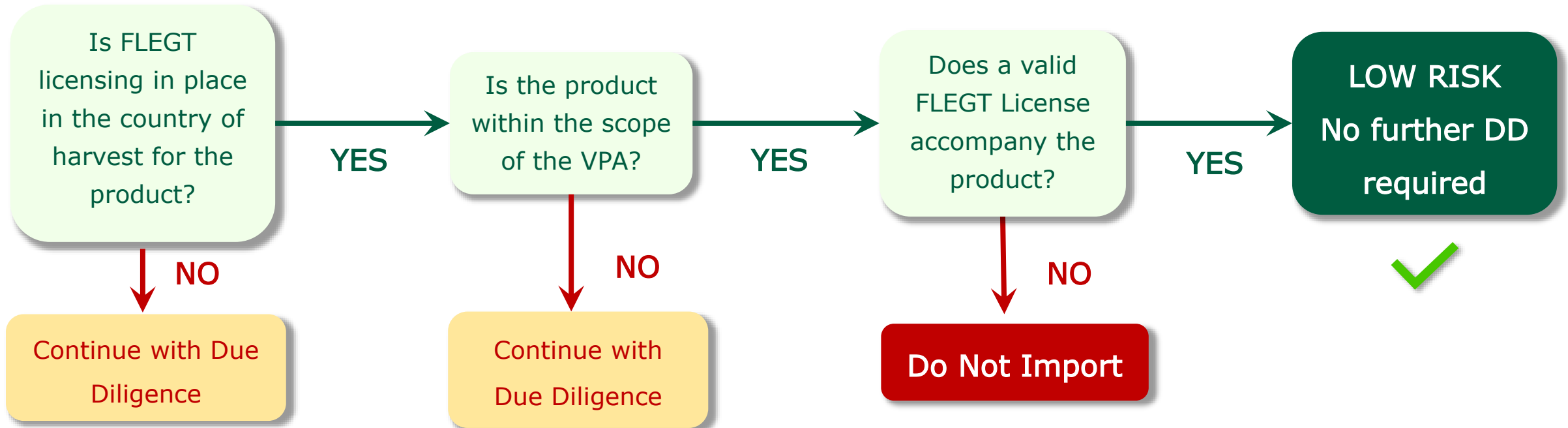
# Trade and transport: transfer pricing

- Using international trade to avoid paying taxes on profits
  - Artificially low prices
  - Artificial low profit in country of harvest = low profit taxes in country of harvest
  - High profit made in overseas country with beneficial tax regime



# Origin

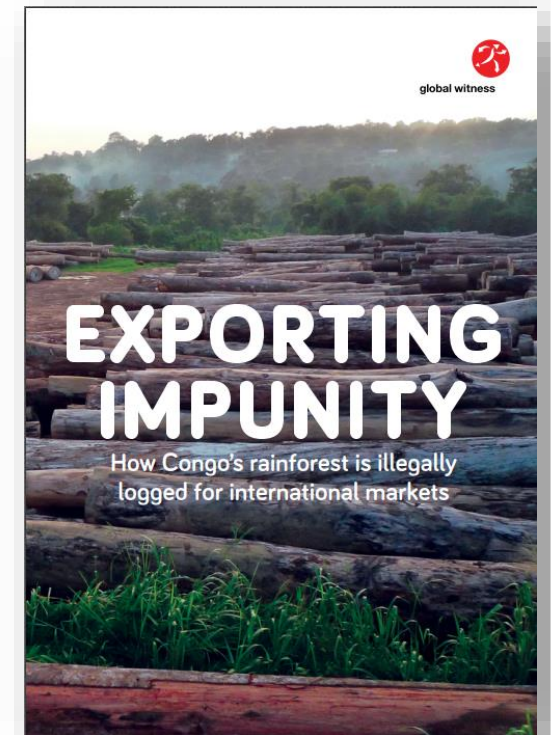
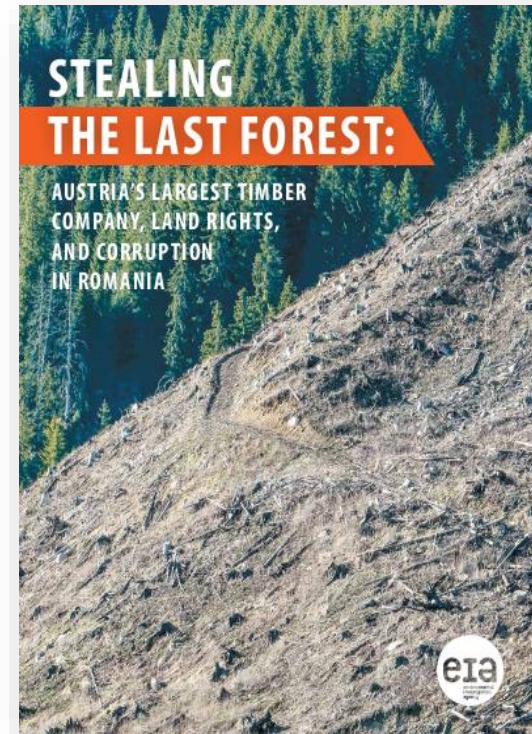
# Origin: FLEGT Licences



**INDONESIA is currently the only VPA country which has reached the stage of issuing FLEGT licences.**

*The scope of timber product covered is included in [Annex I of the Agreement](#).*

# Origin: high profile cases of illegal harvesting

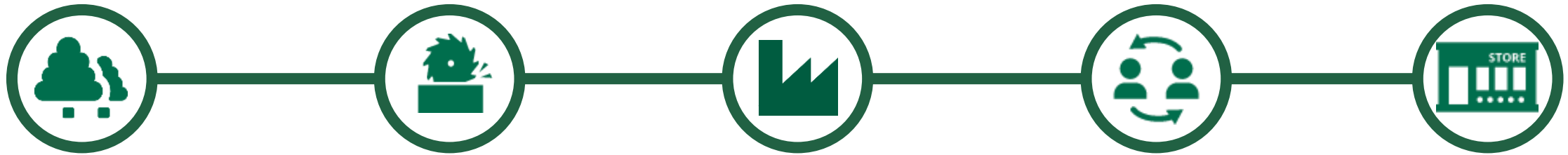




## Further evaluation of risks of illegality

# Further evaluating the risk of illegal timber

## Conformance assessment



- *Rule A*
- *Rule B*
- *Rule C*
- *Rule D*

- *Rule E*
- *Rule F*
- *Rule G*

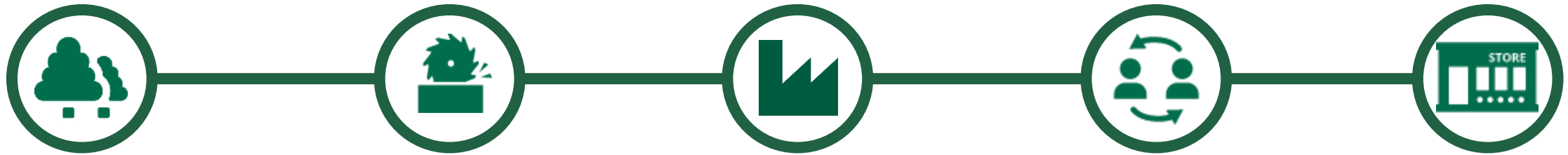
- *Rule E*
- *Rule F*
- *Rule G*

- *Rule H*
- *Rule I*

➤ *What are the rules? Are they enforced?*

# Further evaluating the risk of illegal timber

## Risk-based assessment



- *Rule A* ⚠️
- *Rule B* ⚠️
- *Rule C* ⚠️
- *Rule D*

- *Rule E*
- *Rule F*
- *Rule G* ⚠️

- *Rule E*
- *Rule F*
- *Rule G* ⚠️

- *Rule H*
- *Rule I*

➤ *What are the rules? How well are they enforced? What is the likelihood of non-compliance?*

## Further evaluating the risk of illegal timber

- Main steps of risk assessment:
  - Are specified risks present in the country of harvest of the timber?
  - If yes, are they relevant to the supply chain being assessed?
  - If yes, have they already been mitigated by something (an action, a document, etc.)?



## Further evaluating the risk of illegal timber



Hypothetic case: *Timber from plantations is harvested in Country X and exported into the EU or UK.*

- 3 origin risks have been detected in country X:
  1. Risk that timber is over-harvested in natural forests (exceeding quotas)
    - *Not applicable to the supply chain as the timber comes from plantations.*
  2. Risk that harvesting is conducted without the annual harvest permit being delivered by forest authorities
    - *The exporter has already provided its annual harvest permit, which has been assessed as valid.*
  3. Risk that mandatory social agreements with local communities are not signed prior to harvesting
    - *This risk is applicable and has not yet been mitigated. It needs to be highlighted and addressed.*

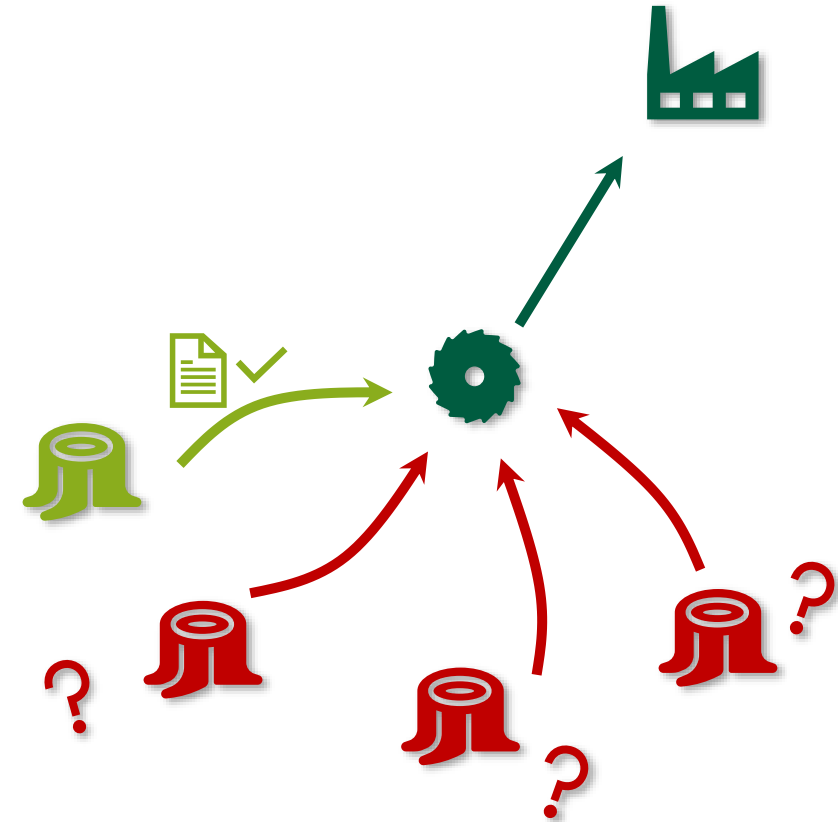
# Supply chain complexity

# Supply chain complexity

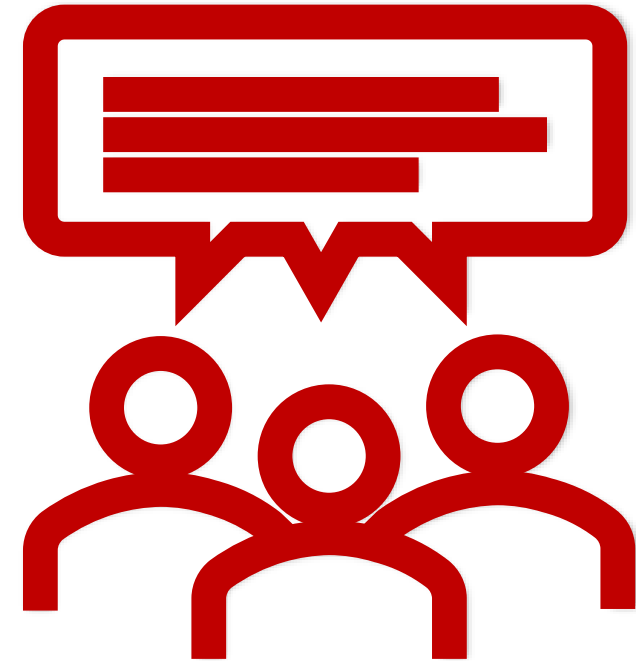
- Detect the risk that material could be mixed with:
  - Unknown material; and / or
  - Illegally harvested or traded material.
- Across the whole supply chain

## *Guiding questions:*

- Have all the material entering the product been identified and accounted for?
- Would other input carry a different level of risk?



To evaluate the risk of mixing with unknown material, should we take into account...?



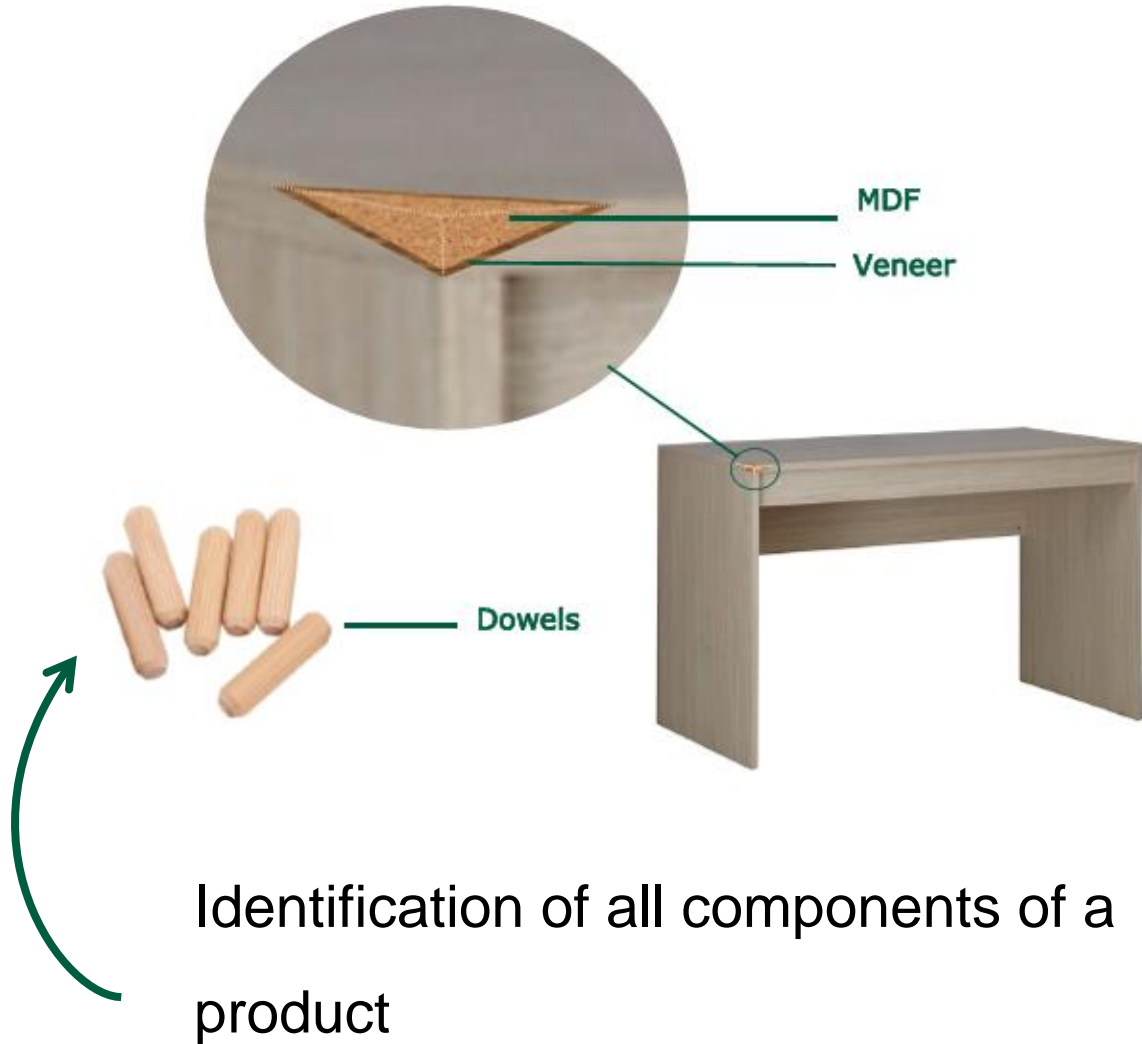


# Supply chain complexity



- Not a single way to evaluate mixing risks, but factors can be taken into account
- Complexity of the supply chain as a good indication
  - Length and route of the supply chain
  - Complexity of the product and the material (Multi-component? Composite material?)
- Strength of segregation / traceability systems in place
- Volumes mismatch

# Supply chain complexity



Identification of all inputs in a product



# Supply chain complexity

Segregation systems in place within suppliers and sub-suppliers





# RISK MITIGATION

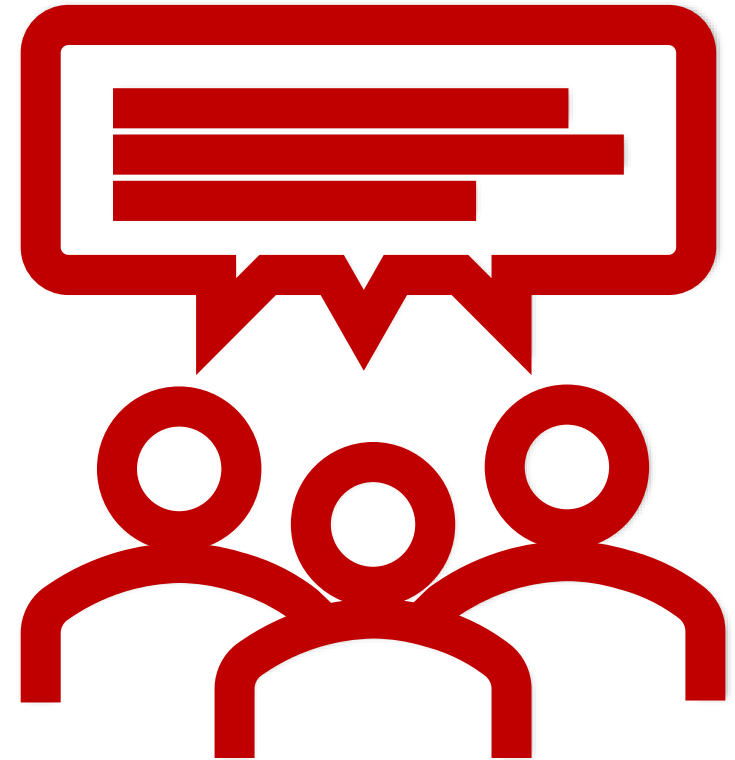
## Risk mitigation



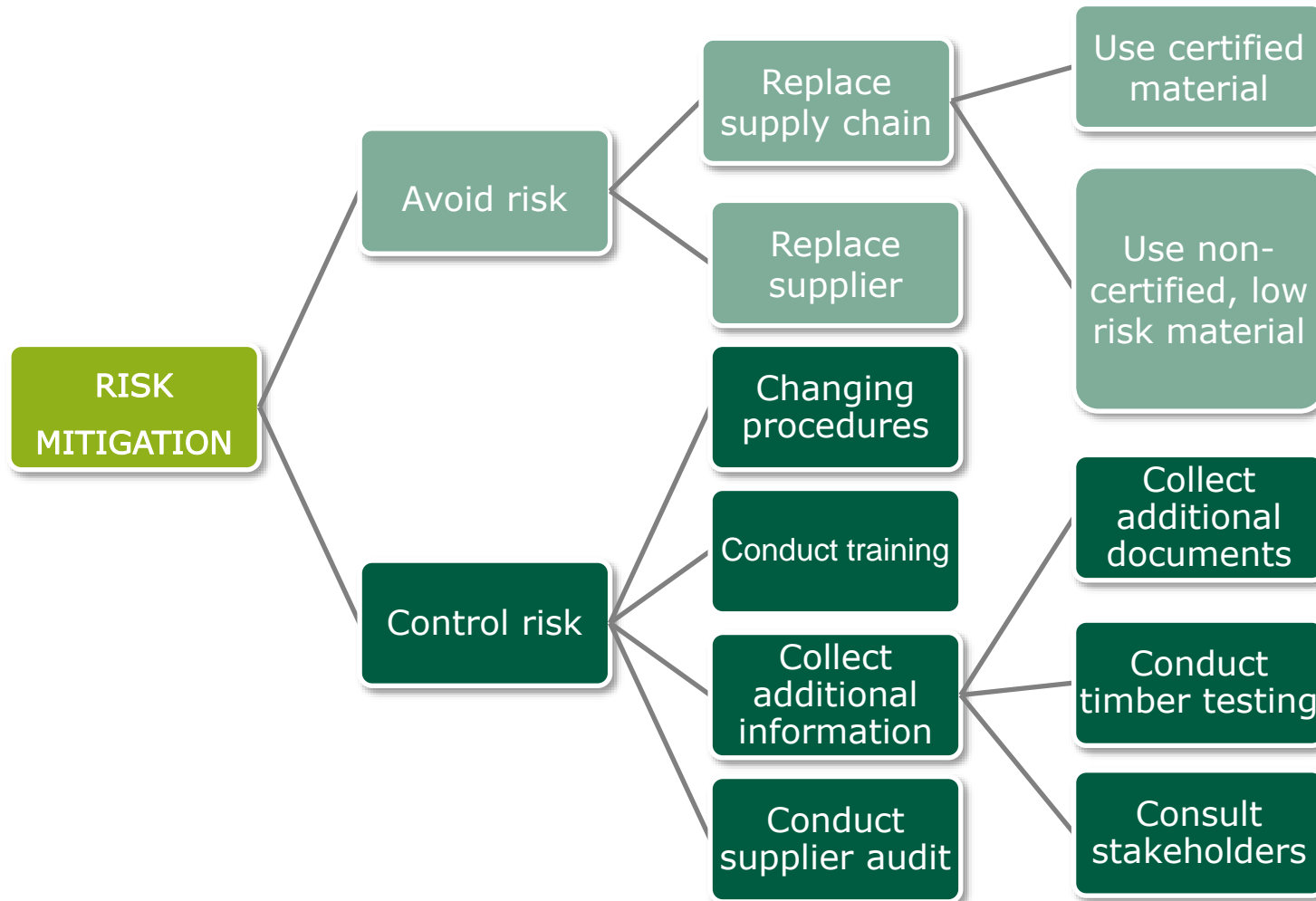
- Where risk is identified it must be **mitigated prior to placing** on the market
- The better the risk is specified and understood the easier it is to select the appropriate the mitigation action.
- More than one mitigation measure may be required where multiple risks are identified.
- You must **document and justify the effectiveness of the measure** in securing you a low risk.

## Available risk mitigation actions

Which actions do you think can be appropriate for risk mitigation?



# Risk mitigation options





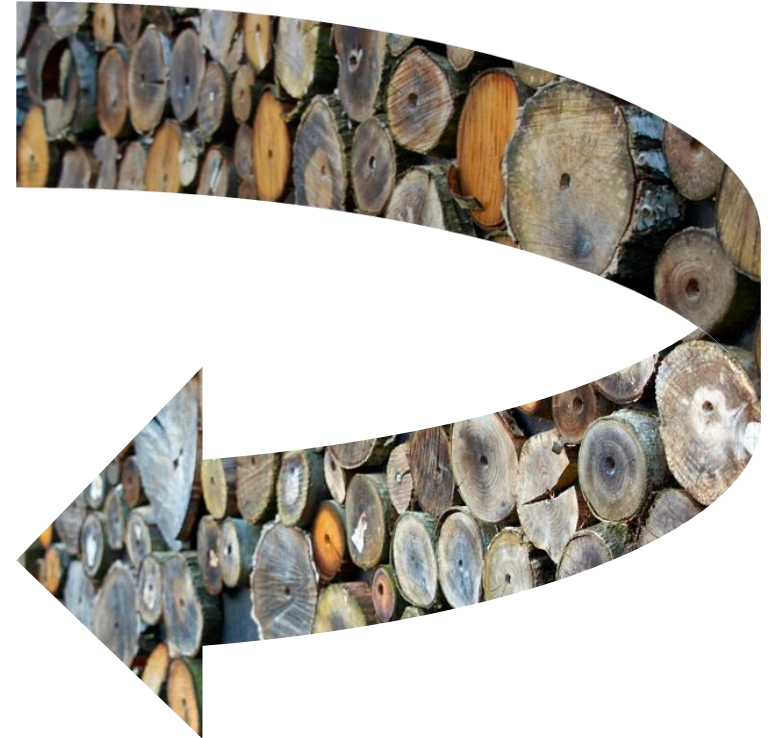
## Collecting additional information

- When information is lacking or incomplete (e.g species, country of harvest etc.)
- Type of additional information:
  - Documents
  - Stakeholder consultation
  - Timber testing
  - Supplier dialogue/ clarification
- When the risk of illegality is specific to the absence or validity of required documentation
  - Risk of harvesting without an annual harvest permit
  - Risk of operating under an invalid forest concession agreement
  - Risk of operating under an outdated Forest Management Plan

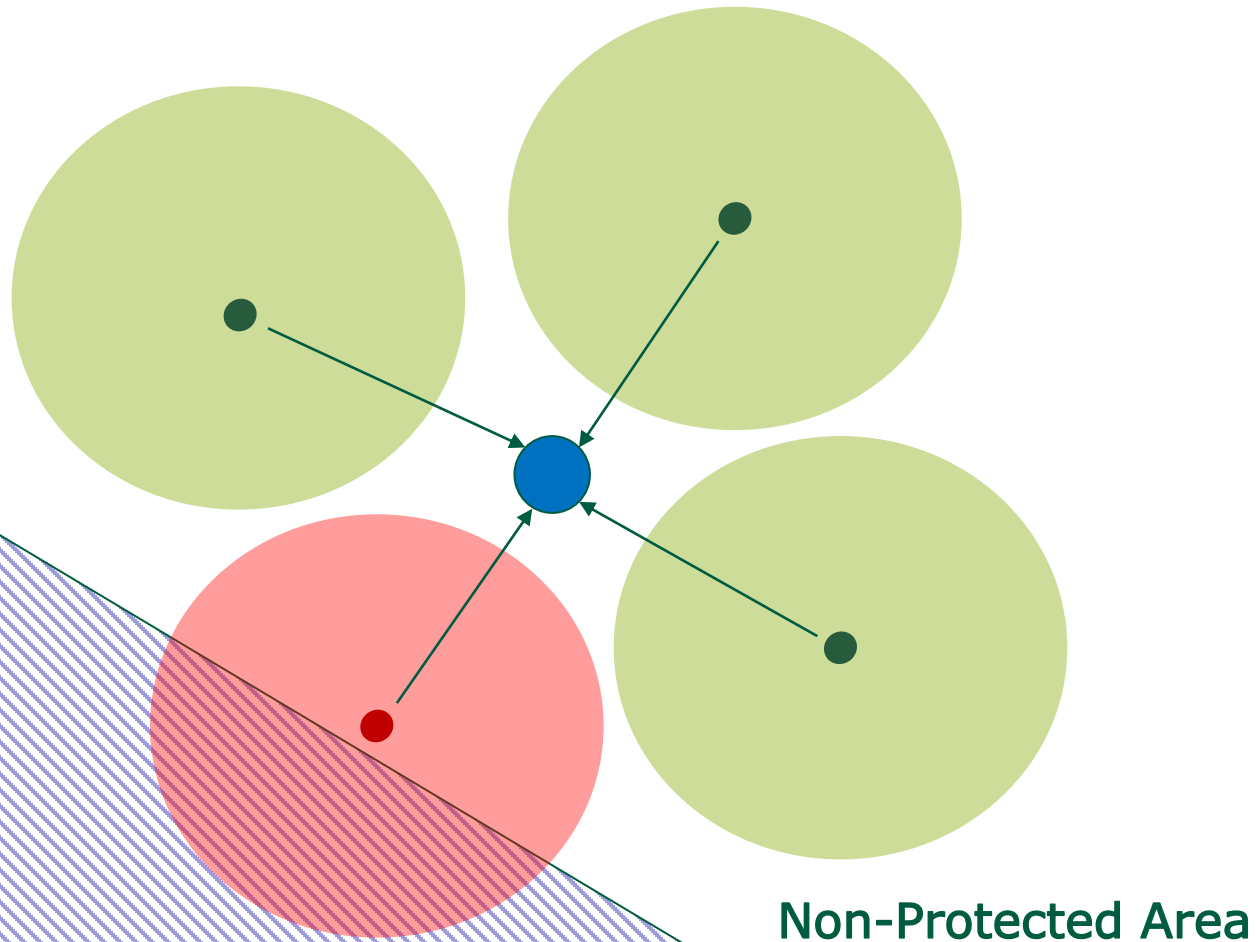


# Replacing or changing supply chains

- Working with suppliers to change supply chains:
  - Species
  - Sub-suppliers or supply chain structure
  - Country, region or sub-region of harvest
  - Certification status



## Changes to Supply Chains in Cameroon



High risk existing for  
FME close to  
protected areas  
(known illegal logging)

Protected Area

Non-Protected Area

# Changing procedures

- Suppliers might be able to share the burden of risk mitigation:
  - Access more information / documentation from their own suppliers
  - Agree to conduct extra checks before selling the products
  - Implement / improve their own Chain of custody / segregation system
- Collaborating with suppliers is key:
  - They are closer to the area of risk
  - They likely speak the necessary language
  - They likely have local knowledge



**1. Verify legal conformance of supply chain entities**

FOR TWO PURPOSES

**2. Verify effectiveness of risk mitigation actions**



- Supplier verification may include different activities depending on the types of risks:
  - Document collection & review
  - Observations
  - Interviews
  - Stakeholder consultations
- Who should you audit in the supply chain?
- Auditing may be sample based depending on risks
- Auditing may be 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> party
- Consider the quality of the audit – training and competencies?
- Consider the ability of an audit to pick on up systemic issues related to corruption.



## Replacing suppliers

- Pushing suppliers to provide enough information or to implement changes in order to conclude low risk for their products **may not always be possible**
- Some suppliers may not be willing to collaborate



### Supplier cooperation is **KEY**

- Without collaboration of suppliers, risk mitigation will not be possible
- Suppliers will be closer to the area of risk
- Suppliers will have local knowledge
- Suppliers may speak the language necessary





# Working with your suppliers

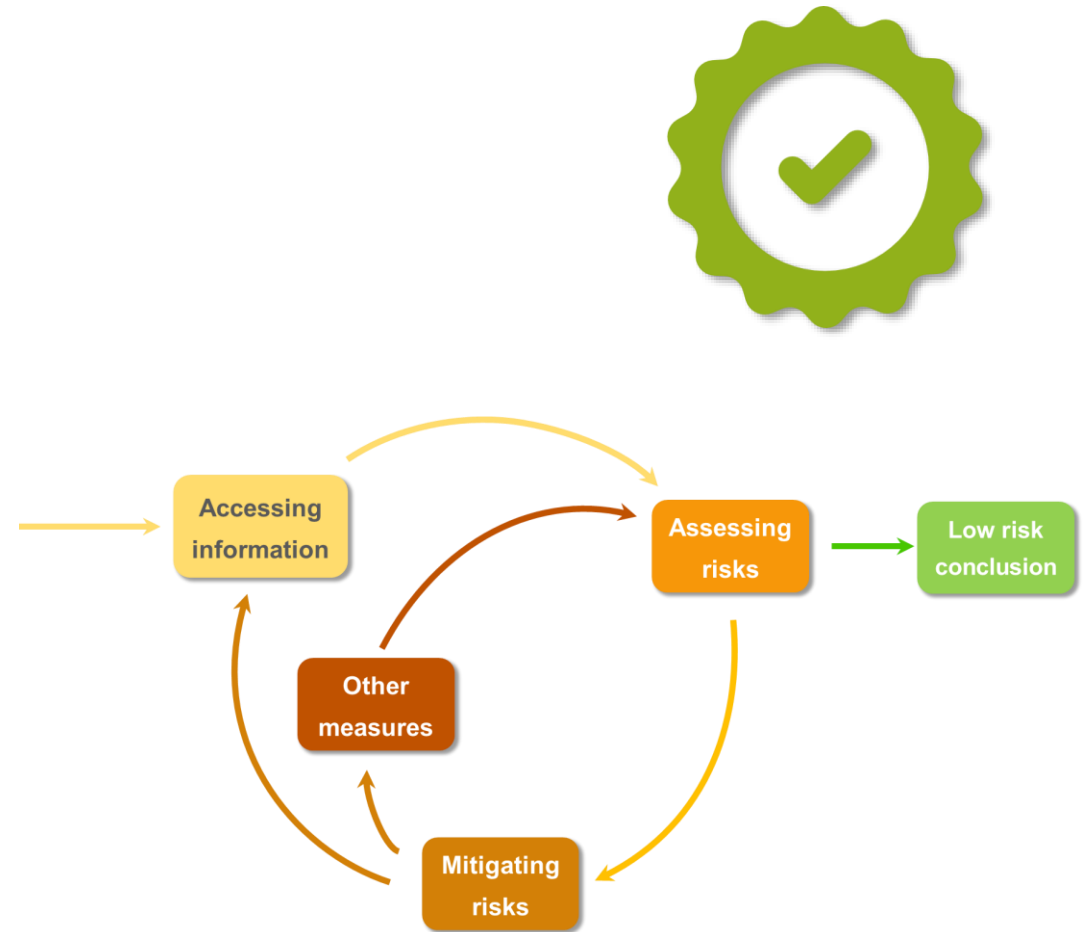
## Some suppliers may be able to share the burden of risk mitigation:

- Requesting documentation from their sub-suppliers.
- Checking documentation before sending them to you.
- Implementing their own Chain of Custody/ segregation system.



## In summary...

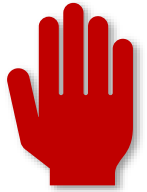
- Mitigating risk may be a continual process, not a one off activity.
- Mitigating risk may not be a quick and straightforward process.
- The best mitigation is embedded into companies buying decision and ways of working, not at the end of the process.





# CERTIFICATION AND DDS

## How does the regulation treat certified material?



- Not a green lane under the EU/UK Timber Regulation
- An Operator must still follow the due diligence steps.



- Can be very helpful in ensuring access to information and can be considered as part of the risk assessment and mitigation process.
- The EU/UK Timber Regulation lists requirements for certification systems and gives further guidance.

# Variety of schemes



→ Sustainable forest management (including legality), chain of custody



Origine et Légalité des Bois

→ Legal forest management, chain of custody



→ Due diligence system, legal forest management, chain of custody

Among others:



Etc.

## What does the regulation say?

Where are Operator uses third party certification schemes the EUTR requires them to evaluate that *the certification scheme covers the applicable legislation as defined by the EU/UK Timber Regulation;*

In the process of assessing the credibility of a third-party-verification scheme, operators may use the following questions (note that the list is not exhaustive):

- ✓ Are all requirements under Article 4 of the Commission implementing Regulation (EU) No 607/2012 fulfilled?
- ✓ Is the certification or other third-party-verification scheme compliant with international or European standards (e.g. the relevant ISO-guides or ISEAL codes)?
- ✓ Are there substantiated reports about possible shortcomings or problems of the third-party-verification schemes in the specific countries from which the timber or timber products are imported?
- ✓ Are the third parties that perform the checks and verifications referred to under Article 4 (b)(c) and (d) of the Commission implementing Regulation (EU) No 607/2012 independent accredited organisations?

*... and where gaps are identified these must be mitigated*

# Evaluating certification schemes

Preferred by Nature has conducted evaluation of FSC & PEFC and developed a generic tool detailing the steps of assessing certification schemes.



## What do the evaluations cover?

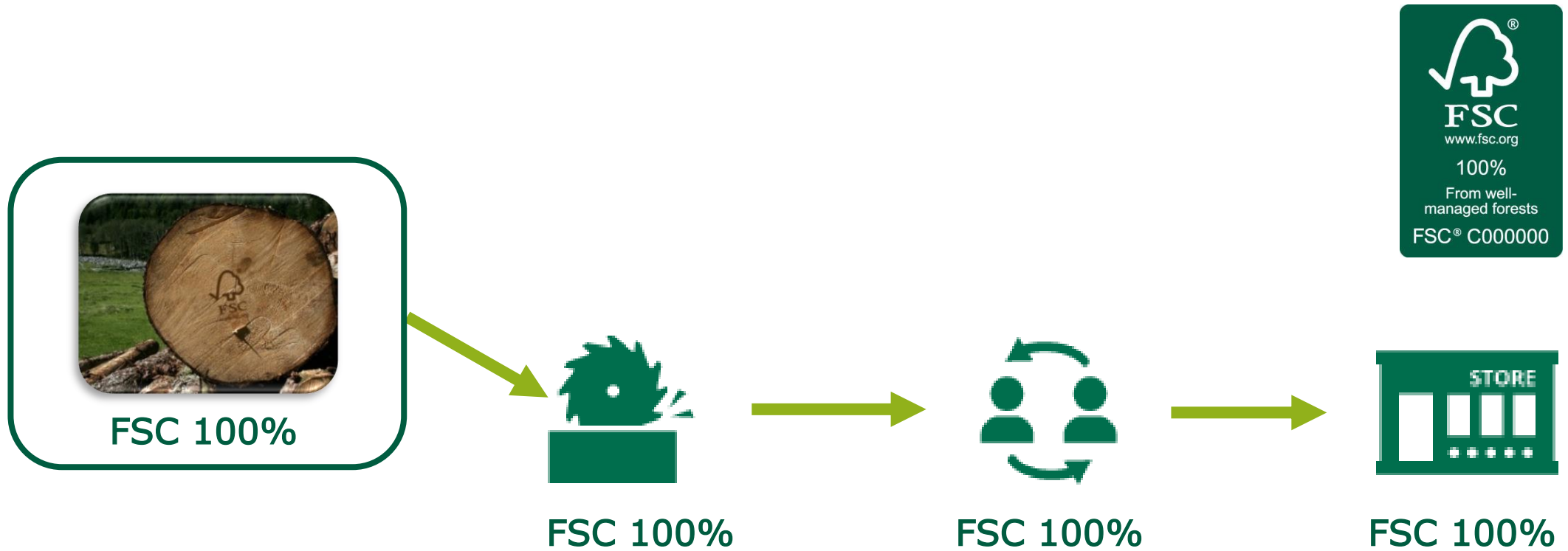
1. Definition of Legality
2. Chain of Custody Requirements
  - Traceability and CoC controls
3. Scheme Quality Assurance Requirements
  - System Requirements
  - Transparency requirements
  - Competence & Qualifications
  - Impartiality and Oversight
  - Auditing process (certification body requirements)

## What the evaluations don't cover?

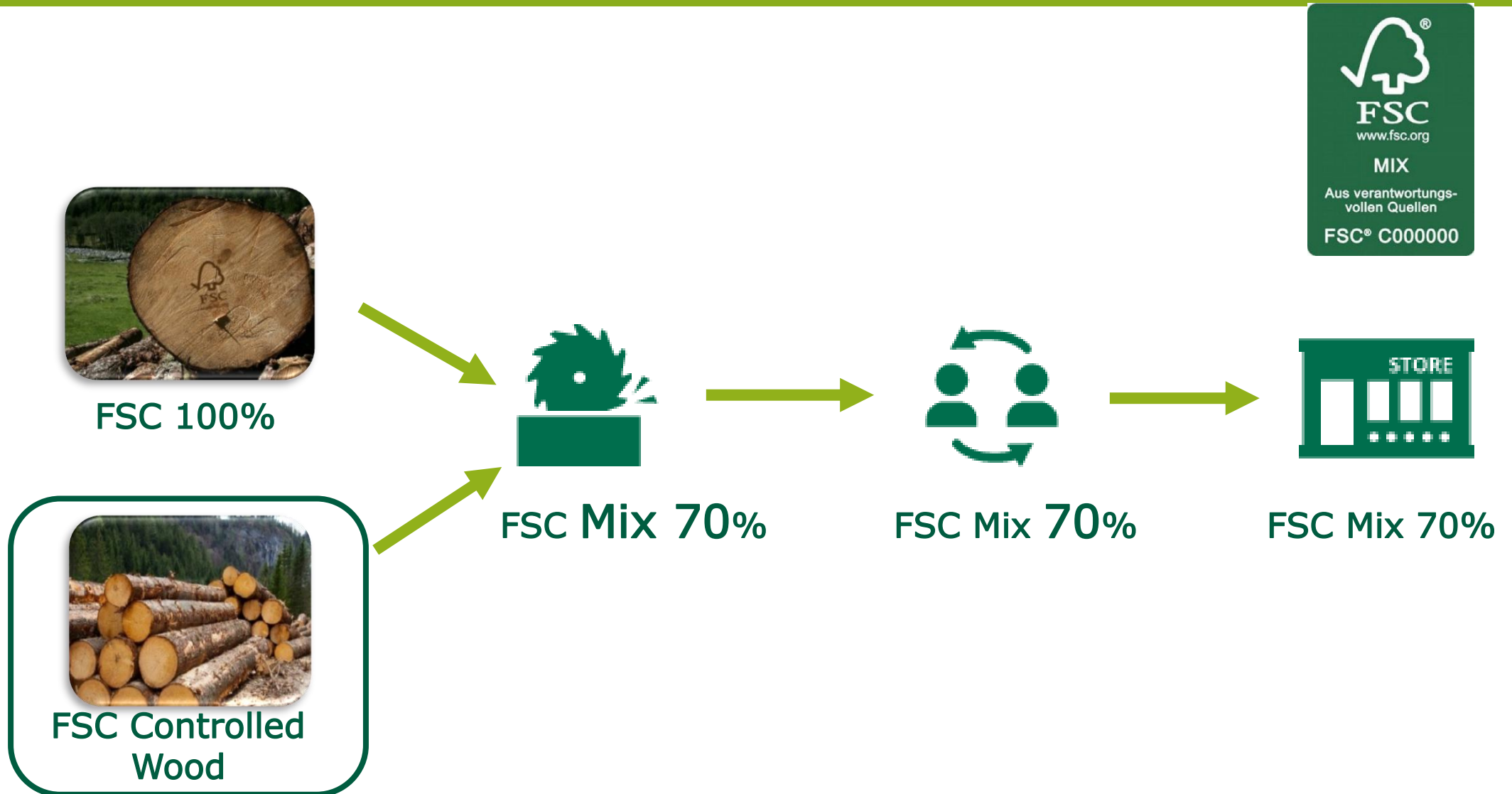
- An evaluation of performance in specific geographies.
- For this you need to monitor for reports raising substantiated concerns



# Understanding Certification Claims: FSC



# Understanding Certification Claims: FSC



# Understanding Certification Claims: FSC



FSC FM  
Standard



Non-  
certified  
forest



# Ensuring validity of a certification claim



- Check the supplier certificate is **valid**
  - Preferably from official public databases as relying on certificate files may mean you miss a termination or suspension of the certificate.
- Check the **scope** of the supplier's certificate – are your products included?
- Always check relevant **sales and transport** documents:
  - They must include relevant certification **claims** (e.g. FSC Mix, PEFC 100%) and the supplier code.

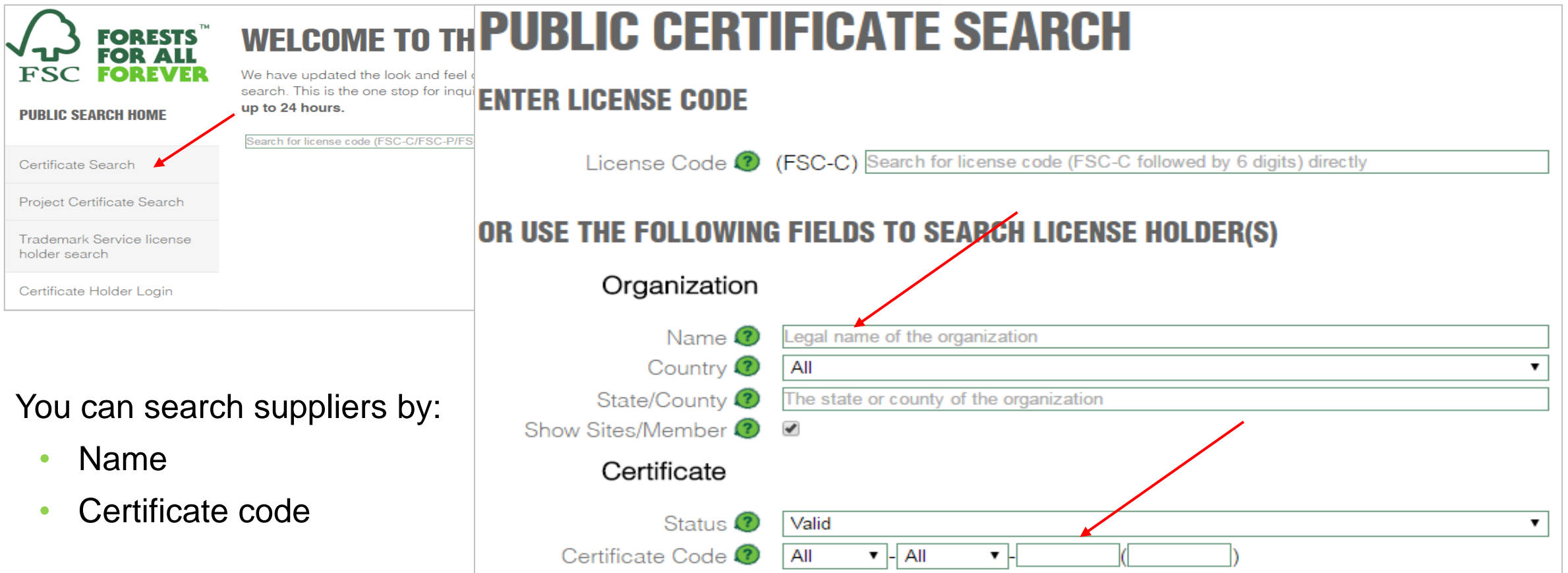
Don't forget - a certified entity can sell both certified and non-certified products!



# Ensuring validity of a certification claim



Example: FSC database : <https://info.fsc.org/>



The screenshot displays the FSC Public Certificate Search interface. On the left, a sidebar contains the FSC logo and the text 'FORESTS FOR ALL FOREVER'. Below this is a 'PUBLIC SEARCH HOME' section with a menu of options: 'Certificate Search', 'Project Certificate Search', 'Trademark Service license holder search', and 'Certificate Holder Login'. A red arrow points from the 'Certificate Search' option to the main search area. The main area is titled 'PUBLIC CERTIFICATE SEARCH' and includes a 'WELCOME TO THE' message. Below the message is a search input field labeled 'Search for license code (FSC-C/FSC-P/FS)'. A second red arrow points from this field to a larger search input field labeled 'License Code (FSC-C) Search for license code (FSC-C followed by 6 digits) directly'. Below this is a section titled 'OR USE THE FOLLOWING FIELDS TO SEARCH LICENSE HOLDER(S)'. This section contains several search criteria: 'Organization' (Name, Country, State/County), 'Show Sites/Member' (checkbox), 'Certificate' (Status), and 'Certificate Code' (dropdowns and input fields). A red arrow points from the 'Name' field to the 'Status' dropdown, and another red arrow points from the 'Status' dropdown to the 'Certificate Code' dropdowns.

- You can search suppliers by:
  - Name
  - Certificate code

## Find out more about certification & due diligence



Register for these events and find out about our other training course:

<https://preferredbynature.org/events>

EUTR	Spanish	Webinar	EUTR & Certification	07 - 07 April 2021	GMT +1	<a href="#">Sign up for free</a>
EUTR	English	Webinar	EUTR & Certification	07 - 07 April 2021	GMT +1	<a href="#">Sign up for free</a>
EUTR	French	Webinar	RBUE et certification	08 - 08 April 2021	GMT +1	<a href="#">Sign up for free</a>
EUTR	Portuguese	Webinar	Portugal / Brazil	14 - 14 April 2021	GMT +1	<a href="#">Sign up for free</a>
EUTR	Dutch	Webinar	EUTR & Certification	20 - 20 April 2021	GMT +1	<a href="#">Sign up for free</a>
EUTR	Italian	Webinar	EUTR & Certification	27 - 27 April 2021	GMT +1	<a href="#">Sign up for free</a>

# Questions?

